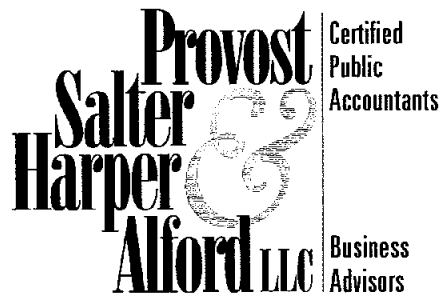


**EAST BATON ROUGE PARISH
ASSESSOR'S OFFICE
BATON ROUGE, LOUISIANA**

FINANCIAL REPORT

December 31, 2013



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EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

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INDEPENDENT AUDITOR'S REPORT

Honorable Brian Wilson, Assessor
East Baton Rouge Parish Assessor's Office

We have audited the accompanying financial statements of the governmental activities and general fund of the East Baton Rouge Parish Assessor's Office as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the East Baton Rouge Parish Assessor's Office's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The East Baton Rouge Parish Assessor's Office's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the East Baton Rouge Parish Assessor's Office as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and schedule of funding progress of post employment benefits on pages 4 through 11 and 39 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 09, 2014, on our consideration of the East Baton Rouge Parish Assessor's Office's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Baton Rouge Parish Assessor's Office internal control over financial reporting and compliance.

PROVOST, SALTER, HARPER & ALFORD, LLC

A handwritten signature in cursive script that reads "Provost, Salter, Harper & Alf-2, LLC". The signature is written in dark ink and is positioned to the right of the date.

June 09, 2014

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis

We offer readers of the East Baton Rouge Parish Assessor's Office's (Assessor) financial statements this narrative overview and analysis of the financial activities of the Assessor for the fiscal year ended December 31, 2013. Please read it in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Assessor's net position decreased by \$304,692, or 4.2%.

The Assessor's revenues increased by \$155,894, or 3.2%.

The Assessor's expenditures decreased by \$89,994, or 1.7%.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This Management Discussion and Analysis is intended to serve as an introduction to the Assessor's basic financial statements. The Assessor's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains additional information to supplement the basic financial statements, such as required supplementary information. Comparative data is presented when available.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Assessor's finances, in a manner similar to private-sector business.

The Statement of Net Position presents information on all of the Assessor's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Assessor as a whole is improving or deteriorating.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

The Statement of Activities presents information showing how the Assessor's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (e.g. uncollected taxes and earned, but unused, vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Assessor uses a single fund to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Assessor's only fund, the general fund.

The Assessor uses only one fund type:

The Governmental fund is used to account for essentially the same function reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the Assessor's near-term financing requirements.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Assessor.

FINANCIAL ANALYSIS OF GOVERNMENT-WIDE ACTIVITIES

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Assessor, assets exceed liabilities by \$6,880,142 at the close of the most recent fiscal year. Approximately 1% of the Assessor's net position reflects its investment in capital assets (e.g. equipment). These assets are not available for future spending.

The balance in unrestricted net assets is affected by the purchase of capital assets from internally generated funds and required depreciation on assets.

Summary of Net Position

| | <u>2013</u> | <u>2012</u> |
|---|---------------------|---------------------|
| Assets: | | |
| Current assets | \$ 10,600,073 | \$ 9,986,194 |
| Capital assets, net of accumulated depreciation | <u>153,134</u> | <u>99,115</u> |
| Total assets | <u>10,753,207</u> | <u>10,085,309</u> |
| Liabilities: | | |
| Current liabilities | 17,917 | 20,929 |
| Noncurrent liabilities | <u>3,855,148</u> | <u>2,879,546</u> |
| Total Liabilities | <u>3,873,065</u> | <u>2,900,475</u> |
| Net position: | | |
| Investment in capital assets | 153,134 | 99,115 |
| Unrestricted, undesignated | <u>6,727,008</u> | <u>7,085,719</u> |
| Total Net position | <u>\$ 6,880,142</u> | <u>\$ 7,184,834</u> |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

The following data is presented on the accrual basis of accounting. Note, however, that although the purchase of capital assets is not included, depreciation on capital assets is included. The Assessor's net position decreased during the current fiscal year. The change is shown below.

Summary of Changes

| | 2013 | 2012 | % Increase (Decrease) |
|----------------------------|-------------------------|-------------------------|--------------------------|
| Revenues: | | | |
| General Revenue: | | | |
| Taxes | \$ 4,916,020 | \$ 4,760,820 | 3.3% |
| Interest | 5,116 | 7,152 | -28.5% |
| Other | 8,159 | 8,041 | 1.5% |
| | <u>4,929,295</u> | <u>4,776,013</u> | <u>3.2%</u> |
| Program Revenue: | | | |
| Charges for services | 127,617 | 125,005 | 2.1% |
| | <u>127,617</u> | <u>125,005</u> | <u>2.1%</u> |
| Total revenue | <u>5,056,912</u> | <u>4,901,018</u> | <u>3.2%</u> |
| Expenditures: | | | |
| Personnel services | 4,580,038 | 4,765,016 | -3.9% |
| Other services and charges | 698,708 | 620,438 | 12.6% |
| Supplies | 49,010 | 55,339 | -11.4% |
| Capital Outlay | 33,848 | 10,805 | 100.0% |
| | <u>5,361,604</u> | <u>5,451,598</u> | <u>-1.7%</u> |
| Change in net position | (304,692) | (550,580) | |
| Beginning net position | <u>7,184,834</u> | <u>7,735,414</u> | <u>-7.1%</u> |
| Ending net position | <u>\$ 6,880,142</u> | <u>\$ 7,184,834</u> | <u>-4.2%</u> |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

GOVERNMENTAL REVENUE

The Assessor is heavily reliant on property taxes to support its operations. Property taxes provided 97.2% of the Assessor's total revenues. Because of the Assessor's financial position, they have been able to earn \$5,116 in interest earnings to support their activities, in spite of the low interest rates available on investments. Also, note that charges for services cover only 2.4% of governmental operating expenses. This means that the Assessor's taxpayers and the Assessor's other general revenues fund 97.6% of the Assessor's activities. As a result, the general economy and local businesses have a major impact on the Assessor's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Since Assessor's operations are staff-oriented, 85.4% of total expenditures are used for employee salaries and benefits. Operating services and materials, supplies, and capital outlay make up 13.0%, 0.9%, and 0.6% of the total expenses, respectively.

FINANCIAL ANALYSIS OF THE ASSESSOR'S GENERAL FUND

The General Fund is the Assessor's operating fund and the source of day-to-day service delivery. As discussed, the General Fund is reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Remember the data presented in the fund financial statements is presented on the modified accrual basis. This means that capital assets purchased during the year are reported as expenditures and no depreciation on these capital assets is reported as an expenditure in the same year.

The total ending general fund's fund balance is \$5,691,140, an increase of \$449,076 over the prior year. This increase is primarily the result of the increase in tax revenue.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE ASSESSOR'S GENERAL FUND, CONTINUED

Ad valorem taxes increase 3.3% from 2012 by \$155,200. This increase is primarily a result of increased property values.

Salaries and benefits decreased from 2012 by 3.9%. The cost of deputies' salaries has decreased by 5.2%. Operating services expenditures increased from 2012 by 12.6%. The increase is primarily a result of implementing a new on-site map producing system. In 2012, the Assessor purchased vehicles for a total of \$45,808, computer equipment for a total of \$20,820, and new doors for \$3,838 that were capitalized. In 2013, the Assessor purchased vehicles for a total of \$86,569, computer equipment for \$15,765, and a door for \$2,833 that were capitalized.

The General Fund's ending fund balance is considered adequate, representing the equivalent of 128% of annual expenditures. Though some might consider this percentage high, it is necessary for the Assessor to maintain a strong financial position in order to cover its cash flow needs and any unforeseen costs that might occur in the future.

BUDGETARY HIGHLIGHTS

The General Fund – Total expenditures were only 89.4% of the budgeted amount. The Assessor's final revenue was 103.6% of budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Assessor considered many factors when setting the 2014 budget. Revenues and expenditures are expected to remain fairly consistent with the 2013 fiscal year.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Assessor's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2013 was \$153,134. The total increase in this net investment was 55%. In 2013, capital asset replacement exceeded depreciation expense by \$54,019. See Note 5 for additional information about changes in capital assets during the calendar year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

| Capital Assets | | 2013 | 2012 |
|-----------------------------------|----|----------------|-------------|
| Depreciable assets: | | | |
| Vehicles, furniture and equipment | \$ | 709,564 | \$ 663,750 |
| Less accumulated depreciation | | 556,430 | 564,635 |
| Book value-depreciable assets | \$ | 153,134 | \$ 99,115 |

Capital Assets

At December 31, 2013 the depreciable capital assets for governmental activities were 78% depreciated and there was a 55% increase in the book value of the capital assets. The total percentage of depreciated capital assets is quite high, (i.e., approximately eight-tenths of the value of these assets is used) which indicates that additional resources may be required to replace these capital assets in the future.

Long-term Obligations

At year-end, the Assessor had no external borrowings, and thus does not have any outstanding bonds or notes in this or the prior fiscal year. Other obligations include \$50,801 for the Assessor's estimated liability for compensated absences and \$3,804,347 represents the Assessor's estimated liability for other post employment benefits.

During the year the Assessor's debt increased by \$975,602 due to an increase in the liability for compensated absences of \$237 and the recording of \$975,365 increase in the liability for other post employment benefits obligations.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE
Baton Rouge, Louisiana

Management's Discussion and Analysis, Continued

Operating Lease

As of July 2011 the lease for the satellite office on Coursey Blvd. expired, and the lease was converted to a month to month agreement for \$1,984 per month. The Assessor signed a three year lease effective on July 1, 2013 with monthly base rent of \$2,375. Effective September 1, 2011 the Assessor has extended the lease for a satellite office in Zachary, Louisiana for an additional 3 year term at the rate of \$1,463 per month.

CONTACTING THE ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Assessor's finances, comply with finance-related laws and regulations, and demonstrate the Assessor's commitment to public accountability. If you have any questions about the contents of this report or would like to request additional information, please contact East Baton Rouge Parish Assessor's Office, 222 St. Louis Street, Room 126, Baton Rouge, LA 70802.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Basic Financial Statements

December 31, 2013

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Government-Wide Financial Statements

December 31, 2013

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Statement of Net Position***December 31, 2013***

Assets

| | |
|---|----------------|
| Cash and cash equivalents | \$ 3,370,336 |
| Investments | 2,322,792 |
| Ad valorem taxes receivable (net of allowance for uncollectable accounts, \$72,065) | 4,891,016 |
| Prepaid and other | 15,929 |
| Capital assets, net of accumulated depreciation | <u>153,134</u> |

| | |
|---------------------|--------------------------|
| Total Assets | <u>10,753,207</u> |
|---------------------|--------------------------|

Liabilities

| | |
|--------------------------------|------------------|
| Accounts payable | 17,917 |
| Compensated absences | 50,801 |
| Other post employment benefits | <u>3,804,347</u> |

| | |
|--------------------------|-------------------------|
| Total Liabilities | <u>3,873,065</u> |
|--------------------------|-------------------------|

Net Position

| | |
|------------------------------|------------------|
| Investment in capital assets | 153,134 |
| Unrestricted | <u>6,727,008</u> |

| | |
|---------------------------|----------------------------|
| Total Net Position | <u>\$ 6,880,142</u> |
|---------------------------|----------------------------|

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Statement of Activities

Year Ended December 31, 2013

| | Expenses | Program Revenues Charges for Services | Net (Expenses) Revenues and Changes in Net Position Governmental Activities |
|--------------------------------|--------------|---|--|
| Governmental Activities | | | |
| General Government | \$ 5,361,604 | \$ 127,617 | \$ (5,233,987) |

General revenues

Taxes:

Ad valorem taxes, levied for general purposes
Interest and investment earnings
Miscellaneous

4,916,020
5,116
8,159

Total general revenues

4,929,295

Change in net position

(304,692)

Net Position - January 1, 2013

7,184,834

Net Position - December 31, 2013

\$ 6,880,142

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Fund Financial Statements

December 31, 2013

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE***Balance Sheet-Governmental Fund******December 31, 2013*****ASSETS**

Assets

| | |
|---------------------------|----------------------------|
| Cash and cash equivalents | \$ 3,370,336 |
| Investments | 2,322,792 |
| Prepaid and other | <u>15,929</u> |
| Total Assets | <u>\$ 5,709,057</u> |

LIABILITIES AND FUND BALANCE

Liabilities

| | |
|------------------|-----------|
| Accounts payable | \$ 17,917 |
|------------------|-----------|

Fund Balance

| | |
|---|----------------------------|
| Unassigned | <u>5,691,140</u> |
| Total Liabilities and Fund Balance | <u>\$ 5,709,057</u> |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE***Reconciliation of the Governmental Fund Balance
Sheet to the Statement of Net Position******December 31, 2013***

Total fund balance for the governmental fund at December 31, 2013 **\$ 5,691,140**

Total net position reported for governmental activities in the statement
of net assets is different because:

Government-Wide Financial Statements reflect the economic resources
measurement focus and the accrual basis of accounting, therefore, an
accrual for ad valorem taxes is recorded **4,891,016**

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the governmental funds balance sheet
Those assets consist of :

Vehicles, furniture and equipment, net of \$556,430 accumulated
depreciation **153,134**

Liability for other post employment benefits are not due and payable in the
current period and therefore are not reported in the governmental funds **(3,804,347)**

Liability for compensated absences are not due and payable in the
current period and therefore are not reported in the governmental funds **(50,801)**

Total net position of governmental activities at December 31, 2013 **\$ 6,880,142**

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE***Statement of Revenues, Expenditures and Changes
in Fund Balance - Governmental Fund******Year Ended December 31, 2013***

Revenues

| | |
|----------------------------------|--------------|
| Ad valorem taxes | \$ 4,748,204 |
| Charges for services | 127,617 |
| Interest and investment earnings | 5,116 |
| Miscellaneous | 800 |

| | |
|-----------------------|------------------|
| Total Revenues | 4,881,737 |
|-----------------------|------------------|

Expenditures

| | |
|----------------------------|-----------|
| Current | |
| General government | |
| Personnel services | 3,604,436 |
| Other services and charges | 647,559 |
| Supplies | 49,010 |
| Capital outlay | 131,656 |

| | |
|---------------------------|------------------|
| Total Expenditures | 4,432,661 |
|---------------------------|------------------|

| | |
|---|----------------|
| Excess of Revenues Over Expenditures | 449,076 |
|---|----------------|

Fund Balance

| | |
|-----------|----------------------------|
| Beginning | 5,242,064 |
| Ending | <u><u>\$ 5,691,140</u></u> |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

**Reconciliation of the Governmental Fund Statement
of Revenues, Expenditures and Changes in Fund
Balance to the Statement of Activities**

Year Ended December 31, 2013

Net change in fund balance - governmental fund \$ 449,076

Amounts reported for governmental activities in the statement of activities is different because:

Difference in ad valorem tax revenue recorded on the Fund Financial Statements and the Government-Wide Financial Statements. Property tax revenue will not be collected until after the Assessor's fiscal year end. These are not considered "available" revenues in the governmental funds until received. 167,815

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | | |
|----------------------|----|-----------------|--------|
| Capital outlay | \$ | 105,168 | |
| Depreciation expense | | <u>(51,149)</u> | |
| | | | 54,019 |

Other post employment benefits are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in other post employment benefits (975,365)

Compensated absences are reported in the statement of activities and do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Changes in compensated absences (237)

Changes in net position of governmental activities \$ (304,692)

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements

December 31, 2013

1. Summary of Significant Accounting Policies

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four year term. The assessor assesses all real and movable property in the parish, subject to ad valorem taxation. The assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and provides assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and peculiarly responsible for the actions of the deputies.

The Assessor's main office is located in the East Baton Rouge Parish Courthouse in Baton Rouge, Louisiana. In 2005, the Assessor opened an additional branch office on Coursey Boulevard and in 2008 opened another branch office in Zachary, Louisiana for the convenience of the residents of the parish. The Assessor's office employs 56 employees, including 55 deputies. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing by July 1 of the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector who is responsible for collecting and distributing taxes to the various taxing bodies.

At December 31, 2013, there are 213,012 real property and moveable property assessments totaling \$4,380,432,160. This represents an increase of 287 assessments and an increase of \$124,397,830 in assessed value over the prior year.

A. Basis of Presentation

The accompanying basic financial statements of the East Baton Rouge Parish Assessor's Office have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

B. Reporting Entity

The assessor is an independently elected official and is not considered fiscally dependent on the East Baton Rouge Parish Council. As the governing authority of the parish, for reporting purposes, the East Baton Rouge Parish Council is the financial reporting entity for the East Baton Rouge Parish. The financial reporting entity consists of (a) the primary government (the parish council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Codification Section 2100 established criteria for determining which component units should be considered part of the East Baton Rouge Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the council to impose its will on that organization and/or,
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the council.
2. Organizations for which the council does not appoint a voting majority but are fiscally dependent on the council.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the council does not appoint the assessor, does not provide funding (other than the use of facilities located at the East Baton Rouge Parish Court House), or have any control over the Assessor, the Assessor has determined that the Office is not a component unit of the East Baton Rouge Parish Council. The accompanying financial statements present information only on the funds maintained by the Assessor and do not present information on the council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity of East Baton Rouge Parish.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

C. Fund Accounting

The Assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain tax assessment functions and activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds account for all or most of the Assessor's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources, which may be used to finance future period programs or operations of the Assessor. The governmental fund type used by the Assessor is described as follows:

General Fund. The primary operating fund of the Assessor and its accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Assessor's policy. Compensation received from the various taxing bodies, prescribed by formula in Louisiana Revised Statutes 47:1907-1908, is accounted for in this fund. General operating expenditures are paid from this fund.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements (FFS)

The amounts reflected in the Governmental Fund Statements (Exhibit C and E) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the Assessor's office operations.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

The amounts reflected in the Governmental Fund Statements (Exhibit C and E) use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues. Tax revenue is recognized in the budgetary period for which the taxes are collected. Revenues are received from the Sheriff and Tax Collector of East Baton Rouge Parish in varying periodic payments as the ad valorem taxes are collected. Ad valorem taxes are assessed on December 1, for the calendar year, become due on December 31, and are considered past due and subject to penalties if not paid by December 31, of the year. Interest revenue is recognized when earned.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Exhibit A) and Statement of Activities (Exhibit B) display information about the Assessor's Office as a whole. These statements include all the financial activities of the Assessor's Office. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues. Program revenues included in the Statement of Activities (Exhibit B) are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the Assessor's Office general revenues.

Reconciliation. A reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position is provided on Exhibit D. A reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities is provided on Exhibit F.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

E. Budgets

Annually, the Assessor's Office adopts a budget for the General Fund on the cash basis, therefore, adjustments were made on Exhibit G to include prior year accruals and remove current year accruals from the actual amounts for comparison purposes to the budgeted amounts. The budgetary practices include public notice, inspection and hearing requirements, which must be completed prior to December 15 of each year. Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts are as originally adopted. The assessor has administrative authority to make changes or amendments within various budget classifications.

F. Cash and Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Assessor may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Receivables

In the government-wide statements, receivables consist of revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical collection trends. Major receivable balances for the governmental activities include ad valorem taxes and tax roll preparation fees.

In the fund financial statements, ad valorem tax revenue is not recorded because the revenue is not considered available until received.

H. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and include certificates of deposit and Louisiana Asset Management Pool which is authorized under Louisiana Revised Statute 33:1321. The report value of the pool is the same as the fair value of the pool shares. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at fair value. Interest is accrued as earned.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

I. Prepaids and Other

Prepaids and other are payments to vendors and other receivables that benefit future reporting periods reported on the consumption basis. At December 31, 2013, the Assessor had prepayments to vendors of \$3,253, accrued tax roll preparation fees receivable of \$12,657 and accrued interest receivable on certificates of deposit of \$20. Both prepaid and other receivables are similarly reported in government-wide and fund financial statements.

J. Capital Assets

Capital assets are capitalized at historical cost. The Assessor maintains a threshold level of \$1,000 or more for capitalizing capital assets. Capital assets are recorded in the Statement of Net Position and Statement of Activities. All capital assets are depreciated using the straight-line method over the following useful lives:

| Description | Estimated Lives |
|-------------------------|----------------------------|
| Vehicles | 5 |
| Furniture and equipment | 7 |

K. Compensated Absences

Employees of the Assessor's Office earn from five to twenty days of paid vacation leave per year, depending on length of service, and twelve days of paid sick leave. They are allowed to carryover up to twelve vacation days. An employee is compensated for any unused vacation leave at the employee's hourly rate of pay at the time of termination. The liability for these compensated absences is recorded as a liability in the government-wide financial statement. However, any matured compensated absences existing at year-end which are payable to currently terminated employees are reported in the governmental funds as wages and benefits payable. At December 31, 2013, employees of the Assessor's Office have accumulated and vested \$50,801 of accrued vacation benefits.

L. Risk Management

The Assessor's Office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Assessor's Office purchases commercial insurance policies at levels which management believes is adequate to protect the Assessor's Office. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the past three fiscal years.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

M. Deferred Compensation Plan

Certain employees of the Assessor's Office participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the plan are included in the separately issued audit report for the plan, available from the Louisiana Legislative Auditor, Post Office Box 94377, Baton Rouge, Louisiana 70804-9397.

Participants may contribute a portion of their salary with the Assessor's Office matching up to 4% per month, but total contributions may not exceed the amount determined under IRS regulations. All contributions are immediately vested. Participants contributed \$98,325 and the Assessor's Office contributed \$76,094 to the plan during the year ended December 31, 2013.

N. Fund Equity

Equity Classifications.

Government-Wide Financial Statements.

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. There were no restricted net assets at December 31, 2013.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

Fund Financial Statements.

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable – amount that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal decision of the Assessor. The Assessor, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment. For assigned fund balance the Assessor authorizes management to assign amounts for a specific purpose.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all other spendable amounts.

It is the Assessor's policy to spend unrestricted fund balances first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. It is the Assessor's policy to spend committed or assigned fund balances first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The Assessor does not have any policy regarding minimum fund balance amounts.

O. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

P. Subsequent Events

In preparing these financial statements, the Assessor has evaluated events and transactions for potential recognition or disclosure through June 09, 2014, the date the financial statements were available to be issued.

2. Levied Taxes

The following is a summary of authorized and levied ad valorem taxes:

| | Authorized Millage | Levied Millage |
|------------------------------------|-------------------------------|---------------------------|
| Assessor's Salary and Expense Fund | 1.34 | 1.34 |

The following are the principal taxpayers for the parish:

| Taxpayer | Type of Business | 2013 Assessed Valuation | Percentage of Total Assessed Valuation |
|-----------------------------|---------------------------|--|---|
| Exxon-Mobil | Oil and chemical refining | \$ 332,208,580 | 7.58% |
| Entergy Gulf States, Inc. | Utility | 98,090,370 | 2.24% |
| Georgia Pacific Corporation | Pulp processing | 74,909,940 | 1.71% |
| JPMorgan Chase Bank, N.A. | Commercial Banking | 47,079,000 | 1.07% |
| Bellsouth Communications | Telephone company | 35,100,100 | 0.80% |

3. Cash and Cash Equivalents

At December 31, 2013, the Assessor's cash and cash equivalents (book balances) consists of the following:

| | |
|-------------------------|---------------------|
| Demand deposit | \$ 625,692 |
| Certificates of deposit | 299,000 |
| Repurchase agreements | 2,445,644 |
| | <u>\$ 3,370,336</u> |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledge securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2013, the Assessor had collected bank balances of \$969,689 in demand deposits and \$2,453,122 in repurchase agreements. The deposits are secured from risk by \$665,507 of federal deposit insurance and \$530,455 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). Balances in repurchase agreements are secured by the underlying assets.

Even though the pledged securities are considered uncollateralized (Category 3), R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Assessor that the fiscal agent has failed to pay deposited funds upon demand.

4. Investments

At December 31, 2013, the change in the Assessor's investments is reported as follows:

| | Change in Investments | |
|----------------------------|------------------------------|-------------------|
| | Amortized Cost | Fair Value |
| Balance December 31, 2012 | \$ 2,321,437 | \$ 2,321,437 |
| Add: | | |
| Investment purchases | 1,355 | 1,355 |
| Total | 2,322,792 | 2,322,792 |
| Less-investment maturities | - | - |
| Balance December 31, 2013 | \$ 2,322,792 | \$ 2,322,792 |

Investments held by the Assessor of \$2,322,792 are invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. LAMP is rated AAAM by Standard & Poor's. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

5. Changes in Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2013, is as follows:

| | Balance January 1, 2013 | Additions | Deletions | Balance December 31, 2013 |
|-------------------------------|--|------------------|------------------|--|
| Vehicles | \$ 239,846 | \$ 86,569 | \$ (59,355) | \$ 267,060 |
| Furniture and equipment | 423,904 | 18,599 | - | 442,503 |
| | <u>663,750</u> | <u>105,168</u> | <u>(59,355)</u> | <u>709,563</u> |
| Less accumulated depreciation | 564,635 | 51,149 | (59,355) | 556,429 |
| | <u>\$ 99,115</u> | <u>\$ 54,019</u> | <u>\$ -</u> | <u>\$ 153,134</u> |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

6. Retirement Commitments

Louisiana Assessors' Retirement Fund

Plan Description. Substantially all full time employees of the East Baton Rouge Parish Assessor's Office are members of the Louisiana Assessors' Retirement System ("System"), a cost sharing, multiple employer defined benefit pension plan administered by a separate Board of Trustees.

All full-time employees who are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service, or who retire with at least 30 years of credited service, are entitled to a retirement benefit, payable monthly for life, equal to $3\frac{1}{3}$ % of their final-average salary for each year of credited service, not to exceed 100% of their final- average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service, and who do not withdraw their employee contributions, may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Louisiana Assessors' Retirement System, Post Office Box 14699, Baton Rouge, Louisiana 70898-4699, or by calling (225) 928-8886.

Funding Policy. Plan members are required by state statute to contribute 8.0% of their annual covered salary and the East Baton Rouge Parish Assessor is required to contribute at an actuarially determined rate. The current rate is 13.5% of annual covered payroll. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing funds appropriated by the legislature. The contribution requirements of plan members and the East Baton Rouge Parish Assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The East Baton Rouge Parish Assessor's contributions to the System for the years ending December 31, 2013, 2012 and 2011 were \$320,476, \$333,298, and \$331,975 respectively, equal to the required contributions for each year.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

7. Operating Lease

As of July 2011, the Assessor's operating lease for the satellite office on Coursey Blvd. expired and the Assessor has continued leasing the facility under a month to month agreement for \$1,984 per month. The Assessor signed a three year lease effective on July 1, 2013 with monthly base rent of \$2,375. For the year end 2013, rent expense was \$26,154 for this lease.

As of September 2011, the Assessor renewed it lease for the satellite office in Zachary. The lease term is for three years and the monthly payments are \$1,463. For the year end 2013, rent expense was \$17,556 for this lease.

Future minimum lease payments due under these leases are as follows:

| Due in year ending December 31 | | |
|--------------------------------|----|--------|
| 2014 | \$ | 40,200 |
| 2015 | | 28,500 |
| 2016 | | 14,250 |

8. Other Post Employment Benefits

Plan Description. The East Baton Rouge Parish Assessor's Office's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Louisiana Assessors' Retirement Fund, whose retirement eligibility provisions are as follows (ref. R.S. 11:1421): completion of 30 years of service at any age; or, attainment of age 55 and completion of 12 years of service. Complete plan provisions are included in the official plan documents.

Funding Policy. The plan is currently financed on a pay-as-you-go basis. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. Complete plan provisions are included in the official plan documents.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

Total monthly premium rates in effect for the plan year 2013 are below (note that there is an administrative fee of \$12 per retiree assessed for coverage):

| Age | Medical | | Dental | |
|---------|-----------|-----------|----------|----------|
| | Retiree | Spouse | Retiree | Spouse |
| Pre-65 | \$ 758.33 | \$ 635.29 | \$ 31.63 | \$ 60.16 |
| Post-65 | 529.14 | 635.29 | 31.63 | 60.16 |

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees but not for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

Life insurance coverage is provided to retirees and the blended rate (active and retired) is \$0.58 per \$1,000 of insurance. The amount of insurance coverage while active is continued after retirement, but insurance coverage amounts are reduced to 50% of the original amount at the earlier of retirement or age 70. The employer pays 100% of the cost of the retiree life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Annual Other Post employment Benefit Cost and Liability. East Baton Rouge Parish Assessor's Office's annual OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB 45, which was initially implemented for the year ended December 31, 2009. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits.

The total ARC for the fiscal year beginning January 1, 2013 is as set forth below:

| | |
|------------------------------------|--------------|
| Normal cost | \$ 531,387 |
| 30-year UAL amortization amount | 700,757 |
| Annual required contribution (ARC) | \$ 1,232,144 |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

The table below shows East Baton Rouge Parish Assessor's Office's annual OPEB cost for the fiscal year ended December 31, 2013, the amount actually contributed to the plan, and changes in the East Baton Rouge Parish Assessor's Office's net OPEB obligation to the OPEB plan:

| | |
|--|----------------------------|
| Annual required contribution | \$ 1,232,144 |
| Interest on net OPEB obligation (asset) | 74,120 |
| ARC adjustment | <u>(113,475)</u> |
| OPEB cost | 1,192,789 |
| Contribution made | <u>(217,424)</u> |
| Change in net OPEB obligation | 975,365 |
| Beginning net OPEB obligation (asset) 12/31/2012 | <u>2,828,982</u> |
| Ending net OPEB obligation (asset) 12/31/2013 | <u><u>\$ 3,804,347</u></u> |

The following table shows East Baton Rouge Parish Assessor's Office's annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended December 31, 2013, and the two preceding fiscal years were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual Cost Contributed | Net OPEB Obligation (Asset) |
|------------------------------|-----------------------------|--|--|
| December 31, 2011 | \$ 808,923 | 26.21% | \$ 1,852,996 |
| December 31, 2012 | \$ 1,192,789 | 18.18% | \$ 2,828,982 |
| December 31, 2013 | \$ 1,192,789 | 18.23% | \$ 3,804,347 |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

Funded Status and Funding Progress. In the fiscal year ending December 31, 2013, East Baton Rouge Parish Assessor's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. Since no contributions were made, the entire actuarial accrued liability of \$11,443,072 was unfunded.

The funded status of the plan, as determined by an actuary as of January 1, 2013, was as follows:

| | |
|---|---------------|
| Actuarial accrued liability (AAL) | \$ 11,443,072 |
| Actuarial value of plan assets | - |
| Unfunded act. accrued liability (UAAL) | 11,443,072 |
| Funded ratio (act. val. assets/AAL) | 0% |
| Covered payroll (active plan members) | 2,535,623 |
| UAAL as a percentage of covered payroll | 451.3% |

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, present as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by East Baton Rouge Parish Assessor's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between East Baton Rouge Parish Assessor's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between East Baton Rouge Parish Assessor's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Notes to Financial Statements, Continued

December 31, 2013

In the January 1, 2013, the projected unit credit actuarial cost method, was used. The actuarial assumptions included a 4% investment rate of return and initial annual healthcare cost trend rate of 5.70% and 5.76% for medical and pharmacy costs, respectively, scaling down to ultimate rates of 4.60% and 3.92% for medical and pharmacy costs, respectively, per year. The Sex Distinct RP 2000 Combined Healthy Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The Assessor's Office's unfunded actuarial accrued liability is being amortized over 30 years as a level dollar amount on a closed basis. There were no other changes in assumptions.

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Other Required Supplementary Information

December 31, 2013

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Governmental Fund - General Fund

Year Ended December 31, 2013

Statement of Revenue, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual

| | Actual | | Adjustment to Budget Basis | Budget Basis | Budget | | Variance - Favorable (Unfavorable) |
|---|------------------|----------------|----------------------------------|------------------|------------------|------------------|--|
| | GAAP Basis | | | | Original | Final | |
| Revenues | | | | | | | |
| Ad valorem taxes | \$ 4,748,204 | \$ - | - | \$ 4,748,204 | \$ 4,600,000 | \$ 4,600,000 | \$ 148,204 |
| Charges for services | 127,617 | - | - | 127,617 | 110,000 | 110,000 | 17,617 |
| Interest and investment earnings | 5,116 | 15 (1) | 15 (1) | 5,131 | - | - | 5,131 |
| Miscellaneous | 800 | - | - | 800 | - | - | 800 |
| Total Revenues | 4,881,737 | 15 | 15 | 4,881,752 | 4,710,000 | 4,710,000 | 171,752 |
| Expenditures | | | | | | | |
| Current | | | | | | | |
| General government | | | | | | | |
| Personnel services | 3,604,436 | - | - | 3,604,436 | 4,099,203 | 4,099,203 | 494,767 |
| Other services and charges | 647,559 | 3,013 (2) | 3,013 (2) | 650,572 | 647,000 | 647,000 | (3,572) |
| Supplies | 49,010 | - | - | 49,010 | 86,300 | 86,300 | 37,290 |
| Capital outlay | 131,656 | - | - | 131,656 | 130,000 | 130,000 | (1,656) |
| Total Expenditures | 4,432,661 | 3,013 | 3,013 | 4,435,674 | 4,962,503 | 4,962,503 | 526,829 |
| Excess of Revenues Over (Under) Expenditures | 449,076 | (2,998) | (2,998) | 446,078 | (252,503) | (252,503) | 698,581 |
| Fund Balances | | | | | | | |
| Beginning | 5,242,064 | (1,763) | (1,763) | 5,240,301 | 4,611,988 | 4,611,988 | 628,313 |
| Ending | \$ 5,691,140 | \$ (4,761) | \$ (4,761) | \$ 5,686,379 | \$ 4,359,485 | \$ 4,359,485 | \$ 1,326,894 |

Explanation of differences

- (1) Accrued interest on certificates of deposit and reversal of prior year accrued interest on certificates of deposit
(2) Accrued expense and reversal of prior year accrued expense

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE***Schedule of Funding Progress for Postemployment Benefits******Year Ended December 31, 2013***

| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL | Funded Ratio | Covered Payroll | UAAL as a Percentage of Covered Payroll |
|---|--|--|-------------------------|-------------------------|----------------------------|--|
| 12/31/2011 | \$ - | \$ 7,545,599 | \$ 7,545,599 | 0.00% | \$ 2,627,746 | 287.15% |
| 12/31/2012 | \$ - | \$ 11,443,072 | \$ 11,443,072 | 0.00% | \$ 2,656,346 | 430.78% |
| 12/31/2012 | \$ - | \$ 11,443,072 | \$ 11,443,072 | 0.00% | \$ 2,535,623 | 451.29% |

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Compliance and Internal Control

December 31, 2013

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Brian Wilson, Assessor
East Baton Rouge Parish Assessor's Office

We have audited, in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the East Baton Rouge Parish Assessor's Office as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the East Baton Rouge Parish Assessor's Office's basic financial statements, and have issued our report thereon dated June 09, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the East Baton Rouge Parish Assessor's Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the East Baton Rouge Parish Assessor's Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the East Baton Rouge Parish Assessor's Office's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of finding and responses as item 2013-1 to be significant deficiencies.

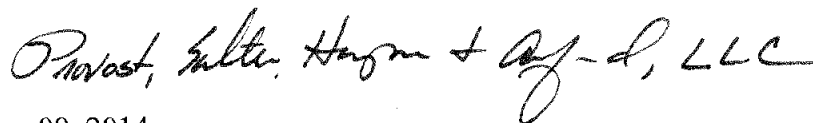
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the East Baton Rouge Parish Assessor's Office's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PROVOST, SALTER, HARPER & ALFORD, LLC

A handwritten signature in black ink that reads "Provost, Salter, Harper & Alford, LLC". The signature is written in a cursive, flowing style.

June 09, 2014

EAST BATON ROUGE PARISH ASSESSOR'S OFFICE

Schedule of Findings and Responses

December 31, 2013

Section I- Internal Control Findings

Item 2013-1 Financial statements are required to be prepared in accordance with generally accepted accounting principles.

Criteria. Management is responsible for the preparation of financial statements in accordance with generally accepted accounting principles.

Condition. The East Baton Rouge Assessor's Office does not have a certified public accountant on staff with the technical expertise to prepare financial statements in accordance with generally accepted accounting principles.

Cause. Management has concluded that it is not cost effective to hire a certified public accountant with the technical expertise to prepare financial statements in accordance with generally accepted accounting principles.

Effect. Material misstatements in the financial statements could go undetected.

Recommendation. Management should continue to evaluate the cost and related benefit of retaining a certified public accountant with technical expertise sufficient to prepare financial statements in accordance with generally accepted accounting principles.

Management's response. The size of the office's accounting and administrative staff does not warrant retaining personnel with such specialized expertise. The assessor believes that his staff is fully competent to perform their assigned duties and has determined it is most cost effective to request that the auditor assist with preparing adjustments necessary for the financial statements to be presented in accordance with generally accepted accounting principles. We will continue to monitor this issued on an annual basis.

Section II- Independent Auditor's Comment on Resolution of Prior Audit Findings Internal Control Findings

Item 2013-1 This is a repeat of a prior year's finding.